

## Message Text

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ORIGIN ARA-10

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P 082141Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY LIMA PRIORITY

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E.O. 11652: N/A

TAGS: EIND, EINV, BDIS, EMIN, PFOR, PE

SUBJECT: MARCONA

1. MARCONA WASHINGTON ATTORNEY BRADFIELD REQUESTS  
FOLLOWING MESSAGE BE PASSED EMBASSY FOR ACTION.

"ON JULY 7, PERUVIAN LEGAL ADVISOR TO THE MINISTRY OF  
ECONOMY AND FINANCE, DR. VALDEZ, REQUESTED MARCONA  
REPRESENTATIVES IN LIMA TO APPEAL PENDING TAX  
ASSESSMENTS. HIS STATED RATIONALE FOR APPEAL IS DESIRE  
TO RESOLVE QUESTION OF RECIPROCITY ON FREIGHT TAX.  
VALDEZ SAYS THAT WITH CERTIFICATION OF THE LIBERIAN  
GOVERNMENT, WHICH WILL BE OBTAINED THROUGH GOOD OFFICES  
OF AMERICAN EMBASSY, THE CHARGES FOR OCEAN FREIGHT TAX  
WILL BE REMOVED. MOREOVER, VALDEZ OFFERS A PROCEDURE  
FOR APPEAL WHEREBY MARCONA WILL NOT BE REQUIRED TO PAY  
TAX PRIOR TO FILING OF APPEAL. TIME FOR APPEAL OF THREE  
OF THE SMALLER TYPES OF ASSESSMENTS WILL EXPIRE TODAY,  
JULY 8, 1976, AND MARCONA WILL ALLOW THIS TIME FOR APPEAL  
TO PASS WITHOUT LODGING AN APPEAL. WITH RESPECT TO THE  
MAJOR ISSUES OF INCOME TAX AND FREIGHT TAX, TIME FOR

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FILING APPEAL EXPIRES JULY 10, 1976.

2. PERUVIANS HAVE HAD ISSUE OF RECIPROCITY BEFORE THEM FOR SOME TIME AND IT IS SURPRISING THAT THEY RAISE IT

AT THIS LATE DATE. MOREOVER, MARCONA IS RELUCTANT TO CONTINUE WITH PERUVIAN TAX PROCEDURES UNLESS APPEAL IS IMPORTANT TO OVERALL SUCCESS OF COMPENSATION NEGOTIATIONS. MARCONA, THROUGH COMMERCIAL CHANNELS, IS REQUESTING ITS LEGAL REPS IN PERU TO RAISE SEVERAL TECHNICAL QUESTIONS RELATED TO THIS.

3. IT WOULD BE HELPFUL IF EMBASSY WOULD DETERMINE PRIOR TO JULY 10 WHETHER VALDEZ'S ACTIONS IN REQUESTING APPEAL HAVE BEEN COORDINATED WITH DE LA PUENTE AND, ACCORDINGLY, WHETHER APPEAL IS AN IMPORTANT PART OF PERUVIAN PLANS FOR DISPOSING OF TAX ISSUES. IN THIS CONNECTION, WE WOULD LIKE TO KNOW WHETHER LODGING OF AN APPEAL WOULD HAVE ANY EFFECT ON PROPOSED EXCHANGE OF NOTES WHICH WOULD GRANT MARCONA A CLEAN BILL OF HEALTH ON ALL TAX CLAIMS AND THE TEXT OF WHICH HAS BEEN AGREED WITH PERUVIAN COMMISSION. WE ARE CONCERNED THAT ONCE APPEAL IS MADE TO TAX COURT, IT MAY NOT BE POSSIBLE FOR PERUVIAN GOVERNMENT TO SIGN THE PROPOSED EXCHANGE OF NOTES ON GROUNDS THAT ISSUE IS UNDER JUDICIAL CONSIDERATION.

4. BECAUSE OF SHORT TIME FRAME ALLOWED FOR APPEAL, IT IS ESSENTIAL TO HAVE REPLY AS SOON AS POSSIBLE. PLEASE FOLLOW UP WITH LOCAL MARCONA LEGAL REPS TO DETERMINE RESULTS OF THEIR INQUIRIES." KISSINGER

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## Message Attributes

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